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National Semiconductor Corporation

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President & CEO
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Willem Roelandts
Chairman, President & CEO
Xilinx, Incorporated

George Scalise
President
Semiconductor Industry Association

April 13, 2005

The Honorable Dennis Hastert
Speaker of the House
H-232 Capitol Building
Washington, DC 20515
Fax: 202.226-1996

Dear Speaker Hastert:

The Semiconductor Industry Association (SIA) represents the U.S. semiconductor industry, which employs a domestic workforce of 226,000 people, registers annual worldwide sales of \$80 billion, and captures nearly half of the world market. SIA strongly supports the U.S.-Dominican Republic-Central American Free Trade Agreement (DR-CAFTA). On behalf of the SIA Board of Directors, we urge you to schedule a vote on this agreement as soon as possible.

Nearly 80 percent of U.S. firms' semiconductor manufacturing capacity is located in the United States, and American chipmakers do the majority of their high-wage, high value-added work here. Since overseas sales account for 73 percent of U.S. semiconductor firms' revenues, elimination of tariff and non-tariff barriers to trade is essential.

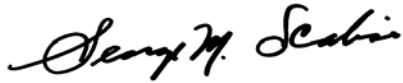
DR-CAFTA's provisions regarding market access, services, e-commerce, and intellectual property are important to U.S. semiconductor and other high-tech firms. The Dominican Republic, Guatemala, Honduras, and Nicaragua will join the WTO Information Technology Agreement (ITA), eliminating duties on a range of high-tech products estimated to save U.S. firms over \$75 million annually. Semiconductors enjoy duty-free treatment under the ITA throughout most of the world, benefiting U.S. exporters and all participants in the supply chain.

DR-CAFTA's negative list approach to services, opening sectors unless specifically exempted, will liberalize the telecom and computer and related services sector, a key customer segment for semiconductor products. In particular, the telecom provisions guarantee market flexibility in technology adoption, a principle that SIA has long supported. E-commerce is a critical driver of semiconductor demand, and DR-CAFTA provides national treatment for digital products and exempt electronically-delivered products from customs duties. Finally, the agreement's strong intellectual property rights protections will benefit SIA member companies, whose products are the result of significant investments in intellectual property.

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Successful passage of DR-CAFTA will be an important step to demonstrating U.S. commitment to trade liberalizing efforts with other FTAs and the Doha Round in the WTO. DR-CAFTA will significantly enhance U.S. high-technology exports to this region, with benefits also flowing to consumers in these markets. SIA appreciates your support in quickly moving towards approval of DR-CAFTA.

Sincerely,



George M. Scalise
President
Semiconductor Industry Association



Steve Appleton
Chairman, President, and CEO
Micron Technology
Chairman of the Board
Semiconductor Industry Association